

P.O. Box 690, Jefferson City, Mo. 65102-0690

In the Matter of:

Christopher B. Jones,

Respondent.

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Case No. 060523218C

CONSENT ORDER

W. DALE FINKE, Director of the Missouri Department of Insurance, after reviewing the stipulations set forth herein, hereby issues the following findings of fact, conclusions of law, and order:

Findings of Fact

1. W. Dale Finke is the duly appointed Director of the Missouri Department of Insurance (hereinafter, "Director") whose duties, pursuant to Chapter 375, RSMo (Cum. Supp. 2005), include supervision, regulation and discipline of insurance producers.
2. At all times relevant to the allegations contained herein, Respondent, Christopher B. Jones ("Jones") was a licensed producer in the State of Missouri (license # PR 101989).
3. In November of 2004 Jones voluntarily terminated his agent contract with Northwestern Mutual Life Insurance Company ("NML") and started working as an agent with Metropolitan Life Insurance Company ("MetLife").

4. The Division of Consumer Affairs of the Missouri Department of Insurance has alleged that during the period of approximately November 17, 2004 to January 6, 2005, while a licensed insurance producer in Missouri, Jones attempted to replace seventy-nine (79) individual life insurance policies originally issued by NML with insurance contracts issued by MetLife. The seventy-nine (79) policies were held by thirty-eight (38) policyholders.

5. The Division of Consumer Affairs has alleged that in issuing the replacement policies and failing to properly complete the replacement forms Jones has violated § 375.936(7) RSMo (2000), subjecting him to discipline of his license under § 375.141.1(7) RSMo (Cum. Supp. 2005), and fines under § 375.942 RSMo (2000). The Division has also alleged that this conduct subjects Jones to discipline of his license under § 375.141.1(5) RSMo (Cum. Supp. 2005).

6. The facts are as follows:

- i. All of the NML policies replaced by Jones had previously been sold to the clients by Jones while he was an NML agent. Jones received commissions on the original NML policies as well as the replacement MetLife policies.
- ii. Of the thirty-eight (38) policy holders whose life insurance contracts were replaced with MetLife variable life insurance policies twenty-six (26) of them, or 68%, already owned NML variable life insurance.
- iii. All of the new MetLife policies exposed the customers to an additional two (2) year contestability period.
- iv. Jones knew that the NML variable life policies being replaced carried fifteen (15) year surrender charges.
- v. Jones submitted incomplete and inaccurate surrender charges on all the replacement forms originally submitted by Jones. Jones indicated

surrender charges of "zero" when surrender charges were applicable to at least twenty-two (22) customers. The replacement forms completed by Jones at the point of sale failed to accurately indicate the surrender charges and misrepresented the financial harm to be incurred by the customers. The surrender charges and financial harm amounted to at least eighteen thousand forty dollars (\$18,040).

- vi. The original replacement forms submitted by Jones were returned to Jones by the MetLife replacement division so that Jones could correct the inaccurate surrender charges.
- vii. After Jones corrected the surrender charges, and after the point of sale, Jones notified the applicable customers of the amended surrender charges.
- viii. More than half of all the new policies written by Jones during 2005 were replacement policies.
- ix. Within five (5) months of becoming a MetLife producer, Jones was elevated to a trainer and supervisor of new agents due, in part, to his sales production.

7. The Division of Consumer Affairs has further alleged that Jones' actions, noted above in paragraphs 4-6, constitute the use of fraudulent and dishonest practices demonstrating untrustworthiness in the conduct of his business in Missouri, a ground for discipline under § 375.141.1(8) RSMo (Cum. Supp. 2005).

8. The Division of Consumer Affairs has further alleged that Jones' actions, noted above in paragraphs 4-6, constitute an unfair trade practice, a violation of § 374.934 RSMo (2000) thus, subjecting Jones to discipline of his license under § 375.141.1(2) RSMo (Cum. Supp. 2005), and fines under § 375.942 RSMo (2000).

9. Jones and the Division of Consumer Affairs desire to settle the allegations and matters raised by the Division.

10. Jones and the Division of Consumer Affairs consent to the issuance of this order.

11. Jones, without admitting or denying the allegations raised in this matter, waives the right to a hearing to contest any provision of this order and has stipulated and agreed to the issuance of this order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.

12. Jones has stipulated and agreed to waive any rights that he may have to seek judicial review or other challenge or contest the terms and conditions of this order and forever releases and holds harmless the Department of Insurance, the Director and his agents from any and all liability and claims arising out of, pertaining to or relating to this matter.

13. The Director is authorized to enforce this order pursuant to § 374.280 RSMo (2000). Should Jones fail to comply or violate the conditions set forth herein, the Director or his successors, may pursue disciplinary action of Jones' license based upon the allegations contained in this order, as authorized by law.

Conclusions of Law

14. The Director is authorized to issue this consent order in the public interest pursuant to §§ 374.046 RSMo (2000), 374.280 RSMo (2000), 375.141 RSMo (Cum. Supp. 2005), and 375.942 RSMo (2000).

Order

IT IS NOW, THEREFORE, ORDERED that Christopher B. Jones shall fully and accurately disclose to customers at the point of sale the consequences of obtaining replacement insurance policies, including surrender charges and contingency periods. Christopher B. Jones shall accurately indicate surrender charges on replacement forms at the point of sale.

IT IS FURTHER ORDERED that Christopher B. Jones shall pay the amount of two thousand two hundred dollars (\$2,200.00), as authorized by § 375.942 RSMo (2000), payable to the Missouri State School Fund. The Department of Insurance shall forward these funds to the state treasury for the benefit of county and township school funds as provided in § 374.280 RSMo (2000), and Article IX, § 7 of the Constitution of Missouri. Such payment shall be immediately due and payable by money order or cashier's check and Christopher B. Jones shall pay the amount ordered above in satisfaction of this order no later than ten (10) days after its issuance. If Christopher B. Jones fails to make the payment under the terms of this provision, the State of Missouri may pursue additional legal remedies to enforce this order and collect the unpaid balance of this order. All payments ordered above shall be delivered to the Missouri Department of Insurance, Attention Tamara Wallace, Legal Counsel, P.O. Box 690, Jefferson City, Missouri 65102. Any correspondence and/ or checks shall reference the above cited case number.

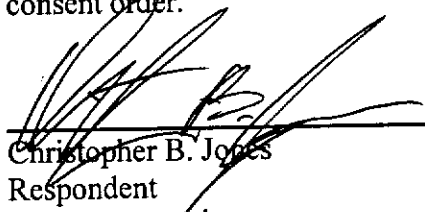
SO ORDERED, SIGNED AND OFFICIAL SEAL AFFIXED THIS 25TH DAY OF AUGUST, 2006.




W. DALE FINKE, Director
Missouri Department of Insurance

CONSENT AND WAIVER OF HEARING


The undersigned persons understand and acknowledge that the Respondent has the right to a hearing, but that the Respondent has waived the hearing and consented to the issuance of this consent order.


Christopher B. Jones
Respondent

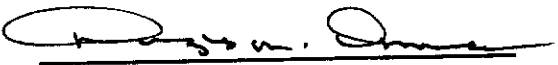
8/19/06
Date


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